

5/027/079



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, UT 84631



In Reply Refer to:
3800
(U-010)
UTU-078275

September 9, 2003

CERTIFIED MAIL #7002 3150 0004 1702 0136
RETURN RECEIPT REQUESTED

WILLIAM PAPPAS
MEMBER MANAGER
CAMBRILLIC NATURAL STONE
230 E BROADWAY SUITE 1205
SLC UT 84111

RECEIVED

SEP 11 2003

DIV OF OIL GAS & MINING

Dear Mr. Pappas:

Your Plan of Operations to mine building stone at the Spectrum Quarry has been approved subject to the enclosed mitigations. However, before you can begin operations, you must comply with the 43 CFR 3809 regulations and submit to the Utah State Office of the BLM both a financial guarantee for reclamation, and an initial deposit of \$3960.00 for the escrow account. If you plan to use water from the Antelope Springs standpipe, you must also purchase it prior to use.

We are enclosing a worksheet for you to calculate the reclamation cost estimate. Please fill it out and return it as soon as possible, so that we may review it according to the enclosed guidelines. We have highlighted the pertinent rows you will need to consider. Please keep in mind that the reclamation must meet the requirements of both the 3809 regulations and the previously mentioned mitigation measures, and the reclamation cost estimate must be calculated accordingly.

You may want to consult with the Utah Division of Oil, Gas and Mining (UDOGM), since that agency is implementing bonding requirements for small mine operations, and their reclamation cost estimate procedure may be less arduous than that of the BLM. UDOGM is considering a bond calculation of \$5000.00 for the first acre, and \$3000.00 for any additional acres, up to five acres. Since your operation will disturb up to five acres, that would result in a bond calculation of \$17,000, which could be submitted to UDOGM as a joint bond with the BLM.

The terms of the escrow account will be as follows:

The appraised value of the building stone is \$12.00 per ton. You have proposed mining 20,000 tons of material a year (6600 tons of building stone and 13,400 tons of crushed shale that you will stockpile and may